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U.S. found to skirt ban on aid to contras

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WASHINGTON — The Reagan administration helped organize and still supports efforts to provide private aid for Nicaraguan insurgents despite a congressional prohibition against assisting them, according to government sources, legislative aides and a former rebel.

A three-week examination of the rebels' supply sources revealed a definite, albeit blurred, link between the administration and a supposedly spontaneous effort to raise military and humanitarian assistance for the rebels totaling more than \$10 million over the last year.

Former rebel leader Edgar Chamorro, ousted Nov. 24 from the largest contra army, known as the Nicaraguan Democratic Force (FDN), said the administration apparently began organizing the effort when Congress balked at providing aid last year.

The Nicaraguan rebels continue to rely on private aid since Congress still has not formally approved the resumption of governmental aid. The House and Senate have passed different bills authorizing the renewal of official

aid, but they still have to be reconciled in conference.

Congress last year placed a ban on direct or indirect support for military or paramilitary activities in Nicaragua and refused to approve an administration request for additional money for the contras. All assistance was formally suspended on Oct. 10.

2 U.S. officials

In telephone conversations from Miami, Chamorro said two U.S. officials traveled to the rebels' logistical base in Honduras in the spring of 1984 to assure them that despite congressional opposition, the White House would "find a way" to keep their movement alive.

The officials were Lt. Col. Oliver North, the National Security Council's deputy director of policy development and political-military affairs, and a CIA officer,

the publication of whose name — although it is widely known — would violate federal law.

After their visit, Chamorro said, the CIA provided funds to publish ads in American newspapers to solicit private aid.

Central Intelligence Agency spokeswoman Patti Volz said the CIA has observed the aid ban, but declined to respond to questions about whether the CIA provided money for ads or if one of its officers traveled to Honduras to reassure the contras.

Circumstantial evidence also suggests the administration contacted conservative allies to enlist their help as well as private groups that already were involved in aiding Nicaraguan refugees. They receive logistical support from the Pentagon and the State Department's Agency for International Development.

Coors, Grace

Also involved in the anti-Sandinista effort are several of Reagan's millionaire friends including beer tycoon Joseph Coors and industrialist J. Peter Grace.

Their names appeared on invitations by the Nicaraguan Refugee Fund for a \$250-a-plate dinner April 15 where Reagan launched his latest campaign to restore official funding.

Adolph Coors Co. spokesman Don Shug said the beer company is not aiding the contras but indicated it was possible that individual executives may have helped them.

Grace spokesman Fred Bona said his boss "may have" asked the Central American chapters of the 900-year-old Knights of Malta order to help distribute privately collected humanitarian aid among Nicaraguan refugees. Grace heads the group's U.S. chapter.

Former Treasury secretary William Simon and CIA Director William Casey also belong to the



Edgar Chamorro: Says rebels got assurances.

Knights of Malta. Simon and Grace declined comment on whether they had ever discussed with Casey alternate ways to help the contras.

Simon heads the Nicaraguan Freedom Fund, a private aid group initially launched by the Unification Church-owned newspaper The Washington Times which received a letter from President Reagan dated May 30, 1985, expressing "wholehearted" support for its activity on behalf of the contras.

Singlaub's role

While the contras get humanitarian aid from these groups, they rely mainly on retired Army Maj. Gen. John Singlaub and his World Anti-Communist League for private military aid.

Singlaub said in a telephone conversation from his Phoenix, Ariz., office that he has advised "administration contacts" about his efforts.

Singlaub said he helps the contras through foreign corporations and governments that depos-

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